



**Ascension-St. James Airport and Transportation Authority  
6255 Airport Industrial Blvd., Gonzales, Louisiana 70737**

### May 28, 2019 Regular Meeting Minutes

1. The Ascension-St. James Airport and Transportation Authority met on May 28, 2019, at the airport site with Chairman Richard Webre presiding. The following Commissioners were present: Jared Amato, Cynthia Stafford, Rydell Malancon, Charles Ketchens, Roger Keese, Jeff Gaudin, and Kevin Landry. Others attending included Chane Watson (Airport Manager), Cody Martin (Legal) and Jeff Sumner (PEC/Engineer).
2. Chair Webre declined any opening comments.
3. Chair Webre advised that there is an amendment to the agenda under New Business:
  - a) Motion to authorize bid advertisement for Runway/Taxiway Overlay
  - b) Motion to authorize bid advertisement for Hangar Construction.Motion by Commissioner Amato and seconded by Commissioner Gaudin to add the above items to the agenda; motion carried unanimously.
4. Action items at the bottom of the draft minutes for April 23, 2019 were discussed:
  - a) Locate and/or propose employer contribution (%) toward employee 457(B) plan for employees at Louisiana Regional Airport – Discussion between board members included recollection of 6% but a tiered plan – every year add 2% every year not to exceed 6% after three years of employer contribution for participating employees. Chair Webre advised that there was discussion regarding the percentage (6%) discussed but requested that we table the item for 30 days and will provide a draft retirement contribution plan to present ahead of the next board meeting. Mr. Watson advised that the Personnel Policy will be revised and presented to the board in July.
  - b) Sell GPU and equipment sold under auction to Proprietary: various items were sold under auction – Kubota, Generator, Military APU and furniture.
  - c) Budget Preparation for FY19-20: Item is on the agenda for discussion.

Motion to approve the draft minutes for April 23, 2019 by Commissioner Malancon and seconded



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by Commissioner Amato; motion carried unanimously.

5. There were no public comments or presentations.
6. Mr. Watson presented the Finance Report:
  - a) Financial Statements were presented to the Authority including a Budget-to-Actual Report to include budget YTD and percent budget YTD. YTD Compared to Budget: Percentages are about where we should be overall, however payroll expenditures are projected to reach approximately 107% of budget due to Airport Manager's salary and health insurance costs. Professional fees are also high due to book-keeper cost and other professional fees. Repairs and Maintenance were primarily due to hangar maintenance and equipment expenditures are high due to GPU purchase. YTD Income/Expenses: the QT Pod/Fuel Management System is reflected in the Repairs/Maintenance as both General and Proprietary fund are combined in this report. Cash flows are the most they have been all year at \$341,277.
  - b) Credit Card Expenditures (including travel costs to FAA Conference) and Automatic Payments – ACH Report (including Jet Truck rental price of \$800 but with a slight credit and fuel purchase) was also presented.
  - c) Commissioner Stafford questioned the over budgeted amount for Professional Services as it relates to any requirement to restructure due to overage. Mr. Watson advised that the overall expenditures and revenues are looked at, not individual accounts. In addition, Commissioner Stafford questioned if the Book-Keeping fees have leveled out; Mr. Watson advised that it was the lowest this past month of \$500, around where the budgeted amount is anticipated for next fiscal year. Chair Webre added that bill payments, cutting checks, etc., have been transferred to Mr. Watson. In addition, Commissioner Stafford mentioned the proposed Capital Asset meeting with Mrs. Rybicki. Mr. Watson advised he will follow up with the Mrs. Rybicki to determine what is needed to be done.
  - d) Chair Webre advised that funds were added to next year's budget for legal/attorney fees of



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\$3,600 or \$300 per month. Legal advised that the amount can be discussed.

- e) A motion by Commissioner Stafford and seconded by Commissioner Ketchens to accept the Finance Report; motion carried unanimously.
7. Mr. Sumner presented the Engineering Report:
- a) Additional Funds for South Apron Expansion: No update has been received by DOTD as far as when funds will be available. This project includes additional amount of funds to continue the pavement expansion, which was included as alternates in the current project.
  - b) Master Plan: First meeting scheduled after the conference – on June 26<sup>th</sup>. Coordinating survey with Quantum Spacial – LIDAR, obstruction survey, etc. Survey should be accomplished within next few months.
  - c) Bid/Award: Runway/Taxiway Overlay and 16-Unit T-Hangar Construction will be voted on in New Business based on discussion with both DOTD and FAA. Funds should available soon but are in position to advertise for both projects.
  - d) South Apron Expansion: still waiting on the stone with the Morgana Spillway potentially opening on Sunday. This item will be discussed more in depth in New Business related to options related to additional stone and time. Mr. Justin Hendrick (Hendrick Construction) is here to discuss the item under New Business.
  - e) Meeting with FAA scheduled for Monday (June 10<sup>th</sup>) when we arrive to the FAA Conference next month.
8. Nothing to report for Legal.
9. Mr. McGee presented the Operations Report:
- a) Hangar Inspections completed – 3 oil reservoirs, a few springs, and other minor work found to be deficient and were resolved by Gulf Coast Dock and Door.
  - b) Fuel sales for April were high for Jet sales specifically. Hopeful for fuel sales to increase for this month (May). Placed an order last week for fuel; fuel truck to arrive today.



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- c) Fuel tank is cleaned. Working to install stainless steel piping as soon as possible per recent audit. AVGAS tank was the only outstanding item per audit but that will be resolved when the tank can be replaced.
  - d) Chair Webre inquired about the new QT Pod machine (fuel management system); Mr. McGee advised that it's fantastic and no complaints have been received. Credit card machine is now setup on Ethernet connection. Some other programs are being investigated to further help Operations.
10. Mr. Watson presented the Airport Manager's Report as distributed, noting several items:
- a) Budget preparation has taken most of the time. Lease renewals for next lease term have begun – lease term for July 1, 2019 until June 30, 2021.
  - b) An issue was brought up regarding a lease involving box hangars or hangars that can safely fit two or more aircraft would need board approval. The tenant or potential LESSEE does not have an airplane but has an existing sublease. Current policy allows a 90-day initial term and option for additional 90-days provided the LESSEE communicates with the Airport Manager as to status of acquiring an aircraft. Mr. Watson does recommend this approval based on the intent of the LESSEE to acquire an aircraft. Motion by Commissioner Keese and seconded by Commissioner Stafford to enter a 90-day lease with LESSEE for box hangar; motion carried unanimously.
  - c) Evaluated all three cash accounts and relationship between in an effort to see the function between all accounts including transfers and how much of the cash in our accounts are unallocated in addition to a Reserve Fund, which has not been established yet. Mr. Watson discussed the Account Balance & Transfers document within the board packet; a little more than \$100,000 is estimated out of Proprietary and Construction that is unallocated for Reserves.
  - d) Chair Webre advised that much of the unallocated funds were encumbered in Construction



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Fund. Construction Account is in a Money Market Account due to interest. Mr. Watsons suggested to open a separate account for Construction Account and utilize existing Money Market Account as the Reserve Fund.

- e) Chair Webre advised that the road rehabilitation project that the Parish is planning to fund needs to be completed by the year end. In addition, Chair advised he met with a Bond Attorney to look at evaluate our existing bond to obtain a better rate in an effort to provide options to fund a new Jet Hangar and possibly a waterline.
- f) Old Business Items were discussed:
  - a) Operations Manual Update: Mr. Watson advised that he plans to complete the Airport Operations Manual by the board meeting July. Several setbacks with budget preparation and health issues. Hope to present revisions to the Personnel Policy at that time.
  - b) Fuel Loyalty Program: Board passed the 5 cent discount last month. No complaints received but have been enrolling customers since.
  - c) Questions regarding fees charged were raised; Mr. Watson advised no complaints have been received by recent fee schedule including ramp fees, etc.

11. New Business Items were discussed:

- a) Motion by Commissioner Amato and seconded by Commissioner Ketchens to extend construction contract with Hendrick Construction dated June 12, 2018 for the South Apron Expansion – Phase 1 project at Louisiana Regional Airport for 60 additional days. Mr. Hendrick (Hendrick Construction) advised that the wait continues for the river water level to go down with expectation of June 16<sup>th</sup> with possibility sometime in July when the snow up north melts in combination with the Morganza Spillway. Mr. Hendrick requested an additional 60 days but there are other options. One option would be to haul stone from New Orleans, which is \$4-5 per ton or approximately \$30,000. Chair Webre asked if there would be any additional costs to redeploy equipment to complete current project; Mr. Hendrick advised there would



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be no additional cost. Legal inquired if a change order has been submitted for additional days; Mr. Sumner (PEC) advised there were considered project scope changes.

- b) Motion by Commissioner Keese and seconded by Commissioner Amato to open a new and separate account to establish as a Reserve Fund per the Finance & Accounting Policies and Procedures Manual and transfer unallocated funds to the new Reserve Account. A clarification was mentioned that the signers on existing accounts.
- c) Motion by Commissioner Stafford and seconded by Commissioner Landry to authorize advertisement for Runway/Taxiway Overlay Project for Louisiana Regional Airport. Legal questioned whether funding entity would have issue with how this motion was added to the agenda. Mr. Watson advised that there usually is no issue as this is based on pending funds and that the motion the funding entities are concerned with are of grant acceptance. Motion carried unanimously. The T-Hangar Construction was known but not the Runway/Taxiway Overlay as it was confirmed over the weekend to proceed with advertisement. Motion carried unanimously.
- d) Motion by Commissioner Amato and seconded by Commissioner Keese to authorize advertisement for T-Hangar Construction for Louisiana Regional Airport. Motion carried unanimously.
- e) Discussion of Current FY18-19 Budget for Louisiana Regional Airport: Mr. Watson explained that this item is to identify that, based on projections and invoices, expect to be -2.3% of budget (operating revenues are more but the transfer from proprietary is what appears to be causing) for revenues and expect to be 2.9% of budget. Chair Webre advised that the budget was reformatted to show operating revenues, personnel expenditures, etc., into a government style budget format. Commissioner Keese questioned whether we have met the 5% threshold based on being under on revenues and over on expenditures. The only change the label for Grant Revenues to "Transfer from Construction". There is no need to sell the



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GPU to Proprietary as Mr. Watson stated that the current budget was adopted, according to the minutes, with the purchase of the GPU. Discussion with Legal clarified the law to look at revenues, or expenditures or 5% or greater variance in fund balance are looked at separately. The actual fund balance of the beginning of the year, which can be derived from last year's audit. Mr. Watson indicated that the fund balance variation has not been determined. Discussion back and forth between Commissioners and Legal regarding fund balance determination at the beginning of the year; Mr. Watson advised that the fund balance variation has not yet been determined; Legal advised that the budget can be revised at next month's meeting if needed.

- f) Announcement and Discussion of Proposed FY19-20 Budget for Louisiana Regional Airport: Mr. Watson presented the proposed budget and the informal budget which is easier to read and compare between current and upcoming fiscal year. The revenues were comprised of increase of Hangar 22 and Tie-Down Rents. Expenditures were further broken down to include salaries, health insurance, professional services, etc. Proposed revenues and expenditures for next fiscal year compared to projected year end of this fiscal year shows an increase of 12.5% and a decrease of 2.1% respectively. Commissioner Keese questioned if the proposed budget for next year shows an impact from the proposed Runway/Taxiway Overlay. Mr. Watson explained that the only impact is from Proprietary, which has been forecasted separately to remove 2 months of profits but to ensure salaries and jet truck rental are covered. In addition, Commissioner Keese pointed out that there is nothing in there for Retirement Plan contribution, which will require a budget amendment. Mr. Watson stated that the salary line item currently includes all insurance, taxes, etc. but is setup for the upcoming year to separate if needed and to add account codes. Commissioner Stafford pointed out that the line item for legal fees in the budget is not reflected in the budget and questioned if we should budget more for additional margin instead of budgeting such a



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precise method. In addition, Commissioner Stafford pointed out the Advertising/Promotional line item and what is included with the fact that the airport needs a website to portray how beneficial the airport is to the community. Mr. Watson advised that the \$3,500 amount was primarily inclusive of any rent on the land for the main sign. In addition, Mr. Watson stated that the budget does not include any of the revenue expected from the new hangars and that as far as new website, plan to address and obtain quotes for a new website when new hangar revenue can be recognized. In response to the budget being precise, some of the line items are exact such as the Auditor, etc., but the Miscellaneous line item was heavily increased compared to last year (over 1000%) to allow for some overages until the new hangar revenues can be recognized. Motion by Commissioner Ketchens and seconded by Commissioner Malancon to advertise the budget announcement; motion carried unanimously.

**ACTION ITEMS**

- A. Draft Plan for Employer Contribution for Employee 457(b) Retirement Plan
- B. Follow-up on Capital Asset List
- C. Determine Interest Rate on Current Money Market Account & Account Options for Reserve Fund
- D. Determine Fund Balance requirement for Budget
- E. Submit Budget Announcement Advertisement
- F. Monitor Current Budget for Variance FY2018-2019
- G. Finalize Proposed Budget for FY 2019-2020

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Richard Webre, Chairman

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Cynthia Stafford, Secretary